

CHAPTER 5. REGULATIONS AND POLICIES

A. Public Law Excerpts.

1. General. The Auxiliary is a non-military organization established by Congress and administered by the Coast Guard (CG). Members must be aware of the organizational responsibilities and limitations intended by the Congress. From these basic laws come the Commandant's authority to promulgate pertinent instructions and regulations to administer properly the Auxiliary within the CG framework.
2. Authority. The following partial excerpts are from U.S. Code, Title 14 - Coast Guard, and provide the basis for the Auxiliary.

639. *Penalty for unauthorized use of words "Coast Guard"*

No individual, association, partnership or corporation shall, without authority of the Commandant, use the combination of the letters "USCG" or "USCGR", the words "Coast Guard," "United States Coast Guard," "Coast Guard Reserve," "United States Coast Guard Reserve," "Coast Guard Auxiliary," "United States Coast Guard Auxiliary," "Lighthouse Service," "Life Saving Service," or any combination or variation of such letters or words alone or with other letters or words, as the name under which he or it shall do business for the purpose of trade, or by way of advertisement to induce the effect of leading the public to believe that any such individual, association, partnership or corporation has any connection with the Coast Guard. No individual, association, partnership or corporation shall falsely advertise, or otherwise represent falsely by any device whatsoever, that any project or business in which he or it is engaged, or product which he or it manufactures, deals in, or sells, has been in any way endorsed, authorized, or approved by the Coast Guard. Every person violating this section shall be fined not more than \$1,000, or imprisoned not more than one (1) year, or both.

821. *Administration of the Coast Guard Auxiliary*

- (a) *The Coast Guard Auxiliary is a non-military organization administered by the Commandant under the direction of the Secretary. For command, control, and administrative purposes, the Auxiliary shall include such organizational elements and units as are approved by the Commandant, including but not limited to, a national board and staff (to be known as the 'Auxiliary headquarters unit'), districts, regions, divisions, flotillas, and other organizational elements and units. The Auxiliary organization and its officers shall have such rights, privileges,*

powers, and duties as may be granted to them by the Commandant, consistent with this title and other applicable provisions of law. The Commandant may delegate to officers of the Auxiliary the authority vested in the Commandant by this section, in the manner and to the extent the Commandant considers necessary or appropriate for the functioning, organization, and internal administration of the Auxiliary.

(b) Each organizational element or unit of the Coast Guard Auxiliary organization (but excluding any corporation formed by an organizational element or unit of the Auxiliary under subsection (c) of this section), shall, except when acting outside the scope of section 822, at all times be deemed to be an instrumentality of the United States, for purposes of the following:

- (1) Chapter 26 of title 28 (popularly known as the Federal Tort Claims Act).*
- (2) Section 2733 of title 10 (popularly known as the Military Claims Act).*
- (3) The Act of March 3, 1925 (46 U.S.C. App. 781-790; popularly known as the Public Vessel Act).*
- (4) The Act of March 9, 1920 (46 U.S.C. App. 741-752; popularly known as the Suits in Admiralty Act).*
- (5) The Act of June 19, 1948 (46 U.S.C. App. 740; popularly known as the Admiralty Extension Act).*
- (6) Other matters related to non-contractual civil liability.*

(c) The National Board of the Auxiliary, and any Auxiliary district or region, may form a corporation under State law in accordance with policies established by the Commandant.

822. Purpose of the Coast Guard Auxiliary

The purpose of the Auxiliary is to assist the Coast Guard as authorized by the Commandant, in performing any Coast Guard function, power, duty, role, mission, or operation authorized by law.

823. Eligibility, enrollments

The Auxiliary shall be composed of citizens of the United States and its territories and possessions, who are owners, sole or part, of motorboats, yachts, aircraft, or radio stations, or who by reason of their special training or experience are deemed by the Commandant to be qualified for duty in the Auxiliary, and who may be enrolled therein pursuant to applicable regulations.

823a. Members of the Auxiliary; status

- (a) *Except as otherwise provided in this chapter, a member of the Coast Guard Auxiliary shall not be considered to be a Federal employee and shall not be subject to the provisions of law relating to Federal employment, including those relating to hours of work, rates of compensation, leave, unemployment compensation, Federal employee benefits, ethics, conflicts of interest, and other similar criminal or civil statutes and regulations governing the conduct of Federal employees. However, nothing in this subsection shall constrain the Commandant from prescribing standards for the conduct and behavior of members of the Auxiliary.*
- (b) *A member of the Auxiliary while assigned to duty shall be deemed to be a Federal employee only for the purposes of the following:*
 - (1) *Chapter 26 of title 28 (popularly known as the Federal Tort Claims Act).*
 - (2) *Section 2733 of title 10 (popularly known as the Military Claims Act).*
 - (3) *The Act of March 3, 1925 (46 App. U.S.C. 781-790; popularly known as the Public Vessels Act).*
 - (4) *The Act of March 9, 1920 (46 App. U.S.C. 741-752; popularly known as the Suits in Admiralty Act).*
 - (5) *The Act of June 19, 1948 (46 App. U.S.C. 740; popularly known as the Admiralty Extension Act).*
 - (6) *Other matters related to non-contractual civil liability.*
 - (7) *Compensation for work injuries under chapter 81 of title 5.*
 - (8) *The resolution of claims relating to damage to or loss of personal property of the member incident to service under the Military Personnel and Civilian Employees' Claims Act of 1964 (31 U.S.C. 3721).*
- (c) *A member of the Auxiliary, while assigned to duty, shall be deemed to be a person acting under an officer of the United States or an agency thereof for purposes of section 1442(a)(1) of title 28.*

824. Disenrollment

Members of the Auxiliary may be disenrolled pursuant to applicable regulations.

825. Membership in Other Organizations

Members of the Auxiliary may be appointed or enlisted in the Reserve, pursuant to applicable regulations, and membership in the Auxiliary shall not be a bar to membership in any other naval or military organization.

826. Use of Member's Facilities

The Coast Guard may utilize for any purpose incident to carrying out its functions and duties as authorized by the Secretary any motorboat, yacht, aircraft, or radio station placed at its disposition for any of such purposes by any member of the Auxiliary.

827. Vessel Deemed Public Vessel

While assigned to authorized Coast Guard duty, any motorboat or yacht shall be deemed to be a public vessel of the United States and a vessel of the Coast Guard within the meaning of sections 646 and 647 of this title and other applicable provisions of law.

828. Aircraft Deemed Public Aircraft

While assigned to authorized Coast Guard duty, any aircraft shall be deemed to be a Coast Guard aircraft, a public vessel of the United States, and a vessel of the Coast Guard within the meaning of sections 646 and 647 of this title and other applicable provisions of law. Subject to the provisions of sections 823a and 831 of this title, while assigned to duty, qualified Auxiliary pilots shall be deemed to be Coast Guard pilots.

829. Radio Station Deemed Government Station

Any radio station, while assigned to authorized Coast Guard duty, shall be deemed to be a radio station of the Coast Guard and a "government station" ...

830. Availability of Appropriations

(a) Appropriations of the Coast Guard shall be available for the payment of actual necessary traveling expense and subsistence, or commutation of ration allowance in lieu of subsistence, of members of the Auxiliary assigned to authorized duties and for actual necessary expenses of operation of any motorboat, yacht, aircraft, or radio station when assigned to Coast Guard duty, but shall not be available for the payment of compensation for personal services, incident to such operation, other than to personnel of the Coast Guard or the Reserve.

The term "actual necessary expenses of operation," as used in this section, shall include payment for fuel, oil, power, water, supplies, provisions, replacement or repair of equipment, repair of any damaged motorboat, yacht, aircraft, or radio station and for the constructive or actual loss of any motorboat, yacht, aircraft, or radio station where it is determined, under applicable regulations, that responsibility for the loss or damage necessitating such replacement or repair of equipment, or for the damage or loss, constructive or actual, of such motorboat, yacht, aircraft, or radio station rests with the Coast Guard.

831. Assignment and performance of duties

No member of the Auxiliary, solely by reason of such membership, shall be vested with, or exercise, any right, privilege, power, or duty vested in or imposed upon the personnel of the Coast Guard or the Reserve, except that any such member may, under applicable regulations, be assigned duties, which, after appropriate training and examination, [the Auxiliarist] has been found competent to perform, to effectuate the purposes of the Auxiliary. No member of the Auxiliary shall be placed in charge of a motorboat, yacht, aircraft, or radio station assigned to Coast Guard duty unless [the member] has been designated by authority of the Commandant to perform such duty. When any member of the Auxiliary is assigned to such duty [that member] may, pursuant to regulations issued by the Secretary, be paid actual necessary traveling expense, including per diem allowance in conformity with standardized Government Travel Regulations in lieu of subsistence, while traveling and while on duty away from home. No per diem shall be paid for any period during which quarters and subsistence in kind are furnished by the Government, and no per diem shall be paid for any period while such member is performing duty on a vessel.

832. Injury or death in line of duty

When any member of the Auxiliary is physically injured or dies as a result of physical injury incurred while performing any duty to which the member is assigned by competent Coast Guard authority, such member or beneficiary shall be entitled to the same benefits provided for temporary members of the Reserve who suffer physical injury or death resulting from physical injury incurred incident to service. Members of the Auxiliary who incur physical injury or contract sickness or disease while performing any duty to which they have been assigned by competent Coast Guard authority shall be entitled to the same hospital treatment afforded members of the Coast Guard. The performance of a duty as the term is used in this section includes time engaged in traveling back and forth

between the place of assigned duty and the permanent residence of a member of the Auxiliary.

892. Penalty

Whoever, without proper authority, flies from any building, aircraft, motorboat, yacht, or other vessel, any flag or pennant or displays any identifying insignia or wears any uniform or insignia of the Auxiliary shall be fined not more than \$500.

B. Communications With Other Government Agencies.

1. Policy. Members of the Auxiliary shall not communicate with officials of other government agencies or members of Congress in the name of the Auxiliary unless the Chief Director determines the recommendations or requests are consistent with the CG and Auxiliary policy and grants the member specific permission in advance of the communication.
 - a. Members appointed as Auxiliary State Liaison Officers (SLO) or as staff officers in the Auxiliary Department of Boating are authorized to communicate with their designated State Boating Law organization and the State Boating Law Administrator (SBLA).
 - b. Members appointed as Legislative Liaison Officers and those serving on the National Legislative Liaison Committee are authorized to communicate with members of the State Legislature and their staff for the purpose of obtaining information of proposed, pending and passed legislation concerning recreational boating safety matters.
2. Private Citizens. The right of Auxiliary members to communicate directly with elected or appointed government officials and agencies as private citizens is not restricted. Neither official stationery nor Auxiliary titles shall be used in such communications.

C. Public and Political Affairs.

1. Public Appearances. Political and legislative activity affecting the CG may be of interest to Auxiliary members. Auxiliarists may appear and testify as private citizens at legislative hearings or political meetings without CG approval. However, if Auxiliarists appear and/or testify as a private citizen on a matter related to the CG or the Auxiliary, they must provide the Chief Director for Federal hearings and the local Director for State hearings with advance notification. If Auxiliarists appear and/or

testify in a private capacity, they may not wear the uniform, use an Auxiliary title or otherwise indicate they represent the CG or the Auxiliary.

2. Authority for Official Appearances.

- a. As Chief of the Executive Branch of Government, the President, through the Office of Management and Budget (OMB) in Circular A-19 has prescribed regulations controlling official communications to the Congress. Appearances of Department of Transportation (DOT) witnesses (which includes CG Auxiliarists) fall within these rules.
- b. For official appearances at Federal legislative hearings, or at other politically-sensitive functions, the Chief Director (G-OCX) will review requests for members' attendance and uniform wear. Circular A-19 requires clearance by OMB of witness statements, as well as all responses to questions arising at the hearing and for which the witness is responsible for later submission of written answers. Before transmission to OMB of these draft statements and follow-up responses, clearance by Headquarters and DOT must be obtained.
- c. The Headquarters Congressional Affairs Staff (G-CC) closely monitors all process phases and helps in orchestrating CG participation. Therefore, all requests received by Auxiliarists for testifying as witnesses should be relayed directly to the Chief Director by the most expeditious means.
- d. Members shall notify their District Commander in advance of any appearance related to the CG or the Auxiliary at state legislative hearings. If the appearance is made in an official capacity (in uniform and using their Auxiliary title), the District Commander's approval is required.

D. Privacy and Freedom of Information Acts.

1. Applicability. The Auxiliary is not a Federal agency, for purposes of either the Privacy Act or the Freedom of Information Act. Therefore, records maintained by the Auxiliary do not come under the purview of either of those statutes. However, CG records about the Auxiliary, including AUXMIS, do come under both the Privacy Act and the Freedom of Information Act. **Auxiliarists with access to AUXMIS information and other CG records are responsible for properly safeguarding such information.** (14 U.S.C. 821)

2. Privacy Act of 1974. The Privacy Act of 1974, with certain exceptions, prohibits disclosure of personal information about an individual from CG or Auxiliary records. The home address, home telephone number, social security number, and spouse's name are examples of such protected information. **Any requests for this information, from other than CG or Auxiliary members, performing official duties, shall be immediately referred to the Director, without taking any action on the request.** Violations of these requirements may result in administrative action being taken and civilian criminal action involving a fine of up to \$5,000.00.
3. Mailing Lists. As a policy matter, a roster of member names, home addresses and home telephone numbers shall **not** be made available to any external person or organization, nor used for any non-Auxiliary purpose. Under special circumstances where the Commandant deems it appropriate to canvas the membership for an outside agency, existing internal arrangements for handling the mailing will be used. **Privacy of all rosters shall be maintained.** The Auxiliary shall maintain its voluntary non-commercial position. Privacy of mailing lists prevents the membership from being deluged with advertising literature. Further, the idea is avoided that any commercial firm has expressed or implied endorsement by either the Auxiliary of the USCG for its products or services.
4. Telephone Directories. Information included in Auxiliary telephone directories published by the Director or other Coast Guard component are covered by the Privacy Act of 1974. Accordingly, the following statement **must appear** in the directory's letter of promulgation or some other prominent place:

CONFIDENTIALITY NOTICE - PRIVACY ACT OF 1974: The disclosure of this material is subject to the provisions contained in the Privacy Act of 1974. This Act, with certain exceptions, prohibits the disclosure, distribution, dissemination, or copying of any material containing the home address, home telephone number, spouse's names, and social security numbers, except for official business. Violations may result in disciplinary action by the Coast Guard and/or civilian criminal sanctions.

5. AUXMIS Information. Information retrieved from the AUXMIS database which contains member personal information such as home address, home telephone number, spouse's name, and social security numbers are covered by the Privacy Act and **must** be marked with the following statement:

THE INFORMATION CONTAINED IN THIS DOCUMENT IS SUBJECT TO THE PROVISIONS OF THE PRIVACY ACT OF 1974, AND MAY

***ONLY BE USED FOR THE OFFICIAL BUSINESS OF THE COAST
GUARD OR THE COAST GUARD AUXILIARY.***

E. Official Business Mail.

1. Authority. The U.S. Postal Manual authorizes the CG the privilege of official business mail for mailing of Federal government mail. Such mail is defined as "official mail relating exclusively to the business of the Government of the United States." The Commandant extends this privilege to the Auxiliary. Unit leaders may grant the authority for use of official business mail to the individual Auxiliarists. **Auxiliary unit leaders are responsible for controlling the use of all official business mail materials.** The CG Auxiliary Mailing Guide (COMDTPUB P16794.49 (series)), provides detailed guidance for official business mail procedures. Authority to use the former "penalty indicia" process was discontinued.
2. Official Versus Unofficial. In determining official mail versus unofficial mail, members shall use the following criteria for guidance. These are not exclusive listings but provide illustrative examples.
 - a. Members may send the following as official mail:
 - (1) Auxiliary information and forms.
 - (2) Notices of Auxiliary meetings.
 - (3) Official Auxiliary program statistics.
 - (4) Correspondence to the Director and CG units.
 - (5) Auxiliary text and workbooks.
 - (6) Auxiliary unit publications, if Director approved.
 - (7) Requests for lodging reservations and conference registration for official meetings.
 - b. Unofficial mail, not authorized for the official business mail privilege, includes:
 - (1) Mail to State government officials or agencies unless approved by the District Commander, or from Auxiliary State Liaison Officers (SLO), Legislative Liaison Officers, or members of the Auxiliary Department of Boating.

- (2) Orders for, and shipment of, Auxiliary uniforms and insignia from any **commercial** source.
 - (3) Requests for information concerning uniforms and insignia from any source other than USCG or CG Auxiliary sources.
 - (4) Personal information between members.
 - (5) Any Auxiliary newspaper, magazine, newsletter, or other publication **containing advertising**.
- 3. **Charges and Penalties.** **Official business mail is not free.** The CG pays for every mailing by its members. The Auxiliary National Supply Center (ANSC) uses government funds to purchase the envelopes, postal cards, mailing labels and official government paid mail stamps for member use. Therefore, cost consciousness is essential for Auxiliary members who may also be personally liable and assessed a wide range of penalties for private or unauthorized use of official business mail materials. In addition, any such unauthorized use could result in loss of this privilege.
- 4. **Postage Due Fees.** Although official mail is marked with "Forwarding and Return Postage Guaranteed", there have been occasions when postal employees have required the Auxiliarist recipient to pay postage due fees on official government mail. If such fees are requested, the recipient has three choices:
 - a. Refuse the mail delivery.
 - b. Use government postage for due fees are use of government stamps is authorized for this purpose.
 - c. Use personal funds at one's own expense with no reimbursement.
- 5. **Use of the Bulk Mail Permit.** The CG Auxiliary Mailing Guide (COMDTPUB P16794.49 series) describes the use of the bulk mail permit. This permit should be used for any major mailing as it saves considerable money over the use of government stamps. Authority to use this permit is obtained from the Director. Permit fees to the Postal Service are borne by the Coast Guard.

F. **Taxes.**

- 1. **Tax Liability for Auxiliary Units.**

- a. This section presents information on taxes purely for guidance and is NOT authority for any tax actions. The Internal Revenue Service (IRS) has determined the Auxiliary and all of its subordinate units (not including any corporations) are an integral part of the Federal government. Therefore, Auxiliary units are not required to file State or Federal tax returns.
- b. State Tax Exemptions for Auxiliary Units. In addition to the exemption from filing Federal and State income tax returns and paying Federal and State income taxes, Auxiliary units may also be exempt from payment of State sales and use taxes. The granting of State sales and use tax exemptions varies from state-to-state, and generally requires the issuance of a State Sales Tax Exemption number. The exemption, if granted, may only be used for the purchase of unit property, which is paid for with unit funds, and is not available for individual purchases by members of the Auxiliary. In some cases, the exemption is only available if the purchase is made with a Government purchase order and paid for by Government check or credit card. Generally, the sales tax exemptions for each state have been applied for by the Department Chief, Legal Affairs, who maintains records of the sales tax exemption status for each state. In addition, the appropriate District Legal Officer (DSO-LP) will be able to provide information and guidance to unit officers.

2. General Tax Information.

- a. Federal income tax regulations allow deductions for certain unreimbursed expenses. No deduction is allowable for a contribution of services or for expenses to the extent reimbursed by the CG or Auxiliary. However, out-of-pocket expenses incurred in the performance of authorized CG or Auxiliary activities to the extent not reimbursed may be deductible as a charitable contribution for Federal income tax purposes. Unreimbursed out-of-pocket expenses for transportation and incurred in the use of operational facilities in the performance of CG and Auxiliary missions may also be deductible. Reasonable expenditures for meals and lodging incurred while away from home on Auxiliary or CG business may also be deductible, in accordance with current IRS regulations. The payment of dues and donations of money or property to the Auxiliary are also deductible.
- b. To help determine if the expense is deductible, Auxiliarists should keep accurate records of unreimbursed expenditures. Remember, the IRS will not allow deductions for unreasonable expenditures.

Auxiliarists also should remember that the IRS may allow expenditures for meals and lodging only if the Auxiliarist is away from home overnight.

- c. Unreimbursed expenditures for gas, oil, etc. for operating an automobile may be deductible. However, a pro rata portion of general repair, maintenance, depreciation and insurance expenses is not. If you do not deduct your actual expenses, you may use the current "cent-per-mile" rate to determine your contribution. Parking fees and tolls may be deductible in addition to the mileage computation.
 - d. Auxiliarists may also deduct uniform costs and upkeep which have no general utility and which they are required to purchase, in order to perform authorized activities. The dress uniform would qualify for such a deduction. In addition, since Auxiliarists are prohibited by CG regulations from wearing portions of their uniforms as civilian clothing, the cost and upkeep of these uniforms, including insignia, should also qualify for a deduction.
 - e. Unreimbursed out-of-pocket transportation expenses incurred in the use of operational facilities in the performance of CG and Auxiliary missions may be deductible. However, such operation, maintenance, and repair costs may be deductible only when they are directly attributable to volunteer services. A pro rata share of general maintenance and repairs of a facility is not deductible. Also not deductible is the rental value of a facility while engaged in volunteer services.
 - f. If any Auxiliarist transfers property, either real or personal, to the Auxiliary, the IRS may allow a deduction for the fair market value of the property at the time of the contribution.
 - g. The above information is provided for general guidance and is subject to the specific provisions of the Internal Revenue Code, as amended, and IRS regulations published thereunder.
3. Auxiliarists must not rely upon the information contained in this Manual when making tax decisions. Further, because information set forth in this section may conflict with subsequent IRS regulations or tax rulings, members of the Auxiliary must consult a qualified tax advisor before making any specific decisions regarding the potential deductibility of Auxiliary-related expenses.

G. Solicitation/Acceptance/Use of Funds, Property, and Services.

1. Background. The Auxiliary's very nature requires policies and procedures which reflect the highest sense of propriety so as to be free from any possible taint or appearance of impropriety. The Auxiliary, notwithstanding its volunteer status, must operate within definite business constraints. This fact is true in relations with governments and the public. Most important is the need to observe these constraints in such matters as soliciting or receiving donations of money, property and services. There are legal and policy restraints which find basis in federal law and regulation as well as potential conflict of interest concerns.
2. Policy.
 - a. Auxiliary members or units, including any corporation authorized and approved pursuant to paragraph 5.N. may not actively solicit money or material from any business, individual or organization outside the CG. If an entity indicates it has excess equipment available, it is not considered "solicitation" to indicate the Auxiliary may be interested in pursuing the acquisition of such equipment.
 - b. Grants shall not be accepted from any source which receives a CG grant, except the Auxiliary may normally accept grants and other monetary benefits from a state or political subdivision regardless of whether or not a grant was received from the Federal government. The grant terms should be reviewed by the appropriate Auxiliary legal officer to ensure acceptability to the Auxiliary and any benefiting unit.
 - c. **Gifts shall not normally be accepted from a source considered "prohibited" within the meaning of 5 CFR Part 2635. Gifts/grants tendered from a prohibited source shall be sent to Commandant (G-OCX) for disposition.**
 - d. Specifically, a prohibited source is defined as any person or organizational entity which meets any of the following criteria:
 - (1) Is seeking official action by the CG or Auxiliary?
 - (2) Does business or seeks to do business with CG or Auxiliary?
 - (3) Conducts activities regulated by CG or Auxiliary?

- (4) Has interests which may be substantially affected by performance or non-performance of CG/Auxiliary official duties?
 - (5) An organization where a majority of the members are described in sub-paragraphs (1)-(4) above?
- e. Gifts from a non-prohibited source may be accepted by a District Commander, on behalf of an Auxiliary unit, if the value of the gift does not exceed \$5,000. Gifts of a value greater than \$5,000 may be accepted by the Commandant on behalf of the Auxiliary unit. Such gifts shall be sent to the Commandant (G-OCX) for disposition. In those cases in which the gift or grant is intended for an Auxiliary unit (rather than directly to the CG for support of Auxiliary programs), the Commandant or District Commander, after determining the donor is not a prohibited source, shall authorize its receipt directly by the Auxiliary. If the gift is something other than money (i.e. property, equipment), the Director should make a determination whether the gift is appropriate for the finances and missions of the Auxiliary unit and include a recommendation as part of the decision to accept the gift.
- f. Auxiliarists may be permitted, subject to review and approval of the District Commander, to engage in certain fund raising activities among Auxiliary members attending Auxiliary functions. This activity includes banquet raffles or door prizes, if such activities are permissible under local law. In no event, however, may such activities be conducted on CG facilities.
- g. Directors must provide donors written acknowledgment of charitable contributions of \$250 or more upon acceptance by the District Commander on behalf of an Auxiliary unit.
- h. Auxiliary units are authorized to accept the free use of space from yacht clubs, marinas and other organizations and businesses in order to conduct authorized Auxiliary activities.
- i. Auxiliary units which are not incorporated are prohibited from owning motor vehicles, aircraft and mobile trailers.
- j. Policies for the acceptance of gifts/donations and the subsequent disposal of any such equipment should be addressed in the standing rules of the unit or corporation.

3. Return of Donation. Funds, property or services solicited or received without compliance with established procedures must be returned or compensation made to the donor.
4. Sale of Previously Donated Items.
 - a. After a donation is accepted by the Auxiliary, the Auxiliary unit may, at some point, desire to dispose of the property by selling and retaining the proceeds with the unit.
 - b. The practice of Auxiliarists purchasing previously donated property for sale can raise serious questions of impropriety. If Auxiliarists desire to participate in such sales, they must do so in a manner which will not create doubt as to their integrity or that of the Auxiliary.
 - c. Auxiliary units desiring to sell donated property shall determine the fair market value (FMV) of the property through reasonable, unbiased means (i.e. marine surveyor for vessels). They shall advertise the property for sale with the FMV in a local newspaper or trade journal for a period of no less than one week. If the unit chooses to sell the property by auction, the auction must be advertised in the same manner. The highest legitimate offer to purchase will be accepted unless the offer is so far below the FMV so as to be deemed unreasonable by the component offering the property for sale.
 - d. A closed sale (i.e. within the unit or corporation, or only for Auxiliarists) is strictly prohibited.
 - e. Documentation of the method used to determine FMV, the advertisement, and the bids received and accepted shall be maintained at the Auxiliary unit for a period of three years. A copy of these documents shall be forwarded to the Director for inclusion in the unit files.
 - f. Auxiliary units and corporations controlled by Auxiliarists should be familiar with Internal Revenue Service Code provisions pertaining to the disposition of gifts within two years after receipt and the requirement for filing IRS form 8282 in certain circumstances.
 - g. Conditional gifts to the Auxiliary may not be resold **without the express prior written approval of the donor**. Further, prior to any sale of donated items, the Auxiliary unit proposing sale must obtain the written approval of the gift acceptance authority.

H. Industry Relations. No undertaking may be made in the name of the Auxiliary for any manufacturer, product or service by which an endorsement by the CG or the Auxiliary is stated, implied or inferred. Organizations, however, may offer to help the safe boating mission by producing pamphlets, films, etc. Organizations providing such help may take a credit line for such help; for example, "Printed Courtesy of XYZ Company." However, it must be clear that no Auxiliary or CG endorsement is given. Undertakings done with the assistance of outside organizations should be coordinated with the Auxiliary legal officer (DC-L) and the Chief Director. Authorization to solicit and/or partner with outside organizations for production of pamphlets, film, video and other materials relating to the Auxiliary's recreational boating safety mission shall be obtained in advance from the Chief Director.

I. Public Affairs.

1. Goals. The members participating in the Auxiliary Public Affairs program shall direct their efforts toward publicizing the Auxiliary's aims, purposes, and activities. There is a need to develop public understanding and appreciation of the Auxiliary's role. There is also a need to help the CG in maintaining and carrying out the service's public information program.
2. Publicity. Staff officers for public affairs and Publications at the district, division, and flotilla levels perform many activities that stimulate interest within the Auxiliary. They also present the aims of the CG and the Auxiliary to the general public.
 - a. Since the Auxiliary is a working part of the CG, the Director must clear, before release, publicity releases concerning pending activities. The Director may delegate this responsibility to the DSO-PA/ADSO-PA, SO-PA or FSO-PA. Routine Auxiliary items such as write-ups of meetings, cruises, elections, public education courses, and other local activities do not require prior clearance. However, a clipping of the published items shall be forwarded to the Director for information.
 - b. Timely release of noteworthy and newsworthy activities is essential. To prevent untimely delay in the submission of the information in this case, an abbreviated approval procedure is authorized. This method includes approval by telephone. This exception is only for releases discussing Auxiliarists' actions, including those performed in direct support of a CG operation. This action does not, however, authorize the Auxiliary to release articles discussing actual CG operations, casualty information or speculation of fault/cause of an incident. If in doubt, err on the side

of caution. A clipping of the published items shall be sent to the Director for information.

- c. In writing articles mentioning Auxiliary officers, use of an office title before names is proper only for current or past district commodores (DCO) and above; i.e., use Commodore Lucy Jones for a national or DCO. For district vice or rear commodores, and division or flotilla officers, the name is followed by the office title; i.e., Mr. Sam Rosenberg, Rear Commodore or Mr. Xing Hueng, Flotilla Commander. These guidelines are also the proper form of address when speaking to, writing to, or introducing Auxiliary elected or appointed officers.
- d. The production of video tapes or other electronic releases to the media are governed by the same review provisions as written material to include website and Internet operations.
- e. The CG Auxiliary Public Affairs Officer's Guide (COMDTINST M5728.3 series) contains additional useful data.

J. Publications.

1. National Publications.

- a. Feature articles on Auxiliary topics prepared by Auxiliarists for commercial periodicals, articles for organization's publications or CG internal publications are encouraged. However, the Department Chief, Public Affairs (DC-A) (or a division chief specifically appointed for that purpose) must approve the article before publication.
- b. Before printing any national Auxiliary publication, all articles and photographs shall be submitted to the Chief Director and NACO for approval.
- c. The Chief Director may authorize official business mail privilege for mailing a national Auxiliary publication when the contents of the publication meet the criteria discussed in Section E of this chapter.
- d. An Auxiliarist is prohibited from receiving any compensation for articles related to the CG or the Auxiliary.

2. District, Division, and Flotilla Publications.

- a. Each district, division, and flotilla should develop some means of keeping members informed on activities and changes in programs and policy. A unit newsletter or other publication is an effective instrument for this purpose.
- b. Before printing and distributing any district, division or flotilla Auxiliary publication to members, the Director shall approve all articles and photographs. The Director may delegate this authority to the DSO-PB, ADSO-PB, or any other Auxiliary member.
- c. The Director may authorize official business mail privilege for district, division, or flotilla publications, unless these publications contain commercial advertising.
- d. A copy of each district publication shall be sent to the Chief Director, NEXCOM members, national department chiefs, DCOs and Directors of other districts for their information.

3. Commercial Advertising.

- a. The Auxiliary is an organization created by federal statute and is administered by the Commandant under the direction of the Secretary of Transportation. Auxiliarists, therefore, have the appearance of acting under CG or DOT authority. The public regards the CG and its Auxiliary so inextricably bound together and mutually dependent that any activity by the latter is considered sanctioned and sponsored by the former. Accordingly, Auxiliary units must avoid even the appearance they endorse any commercial product, service or entity.
- b. Any Auxiliary newspaper, magazine, newsletter, or other publication containing advertising cannot be accorded official business mail privileges and the publishing Auxiliary unit must pay the postage.
- c. Any Auxiliary unit publishing a newspaper, magazine, newsletter, or other media, and willing to relinquish its approved official business mail privilege to accept paid commercial advertising, shall submit any proposed advertising, in copy form, to the District Director, for approval before accepting the advertising. Similarly, the Director must approve any proposal to publish an Auxiliary unit advertisement or notification in a commercial newspaper, where such advertisement or notification is to be paid, either partially or in

full, by persons or concerns other than the Auxiliary unit. Any proposed advertising must include an explicit statement no endorsement of the product or service is made or implied by the Auxiliary, the CG, or DOT.

- d. Before publishing, the Director shall approve all Auxiliary district, division and flotilla newspapers, magazines, newsletters, and other media which contain commercial advertising. The Director may delegate this authority to the DSO-PB, ADSO-PB, or any other Auxiliary member.

4. The Coast Guard Auxiliary Emblem and Official Seal.

- a. The Auxiliary official seal and the Auxiliary emblem are separate both in design and purpose.
- b. The CG Auxiliary emblem may be used on publications or associated with authorized articles regarding the Auxiliary. Such use, however, of the Auxiliary official seal is strictly prohibited.

- (1) The CG Auxiliary emblem is derived from the CG emblem, and has multiple uses. Besides use in print, the emblem is used on Auxiliary insignia such as the member collar device, cap device, the Auxiliary aviator, coxswain, and AUXOP devices and many other items. The emblem is designed for wide use within the Auxiliary for official and quasi-official purposes.



Before the emblem can be used by any commercial concerns for jewelry, stationery, clothing, pennants, flags, burgees, ensigns, or similar articles, such use must be approved by the Commandant (G-OCX), via NACO or the NACO's designated representative.

- (2) The CG Auxiliary official seal, either lever-type or wax impression type, is authorized for use on official CG Auxiliary documents requiring signature under seal. It is authorized for official invitations, programs, certificates, diplomas, and for display on CG Auxiliary exhibits. The seal may not be reproduced for other purposes, without approval of the Commandant (G-OCX) via NACO or the NACO's designated representative. The seal shall not be included within the design of any other seal, emblem, coat-of-arms, or escutcheon.



K. Assignment to Duty.

1. General. The Commandant employs the services of qualified Auxiliarists in support of various Coast Guard programs. To this end, specific Auxiliary activities will be authorized in support of Auxiliary programs or CG units. The Auxiliarist performing such duties is considered to have been "assigned to duty " within the meaning of 14 U.S.C. § 831, when these activities have been authorized following the guidelines set forth below or by CG orders. The Commandant has specifically delegated the authority to assign qualified Auxiliarists to duty for authorized activities as outlined below.
2. Injury or Death. An Auxiliarist who is physically injured or dies because of performing such activities may be entitled to statutorily prescribed medical treatment and/or death or disability compensation.
3. Third Party Claims. The Auxiliarist may be exonerated from liability to injured parties or damage to property, but this action depends on the facts and circumstances surrounding the Auxiliarist's involvement in the accident. Third party claims against Auxiliarists will be treated in the same manner as claims against other CG personnel under similar circumstances. The Department of Justice (DOJ) will make a final determination in certifying the Auxiliarist as an employee within the scope of their employment. This determination will be based on the recommendation from the CGHQ Claims and Litigation Division (G-LCL).
4. Scheduled Activities. Auxiliary functions, other than those described in paragraphs 5-K-5 through 5-K-8, should be specifically scheduled with the appropriate unit elected officer or the appropriate staff officer, shown

in the following examples, before undertaking the function unless CG orders are issued. A written assignment record should be kept by the assigning officer. As a minimum, use a telephone log or similar diary to document the assignment. This record should be as specific as possible about time, place, the nature of the activity, and the Auxiliarist(s) assigned.

<u>ACTIVITY TYPES</u>	<u>APPROPRIATE STAFF ASSIGNMENT OFFICER</u>
ATON Verification and Discrepancy Reporting Chart Updating Activities Federal Aids Program	Aids to Navigation (AN)
Aircraft Patrols Aircraft Facility Inspection	Aviation (AV)
Publicizing and Administering the Academy Introduction Mission (AIM) Activities and the Recruiting Assistance Program (RAP)	Career Counselor (CC)
Communication Watchstanding Communication Facility Inspection	Communications (CM)
Auditing, Bill Paying & Procurement Activities	Finance (FN)
Collecting, Collating, Input, and Dissemination of Auxiliary Activity Data (AUXMIS)	Information Services (IS)
Obtaining, Storing and Transporting Materials ANSC Government Supply Agent Contact	Materials (MA)
Marine Dealer Visits	Marine Dealer Visitor (VM)
Member Recruiting and Retention Activities	Personnel Services (PS)
Member Training Activities	Member Training (MT)
Vessel and Aircraft Patrols Aircraft Facility Inspection CG and State Operational Support	Operations (OP)
Establishing and Serving in Boating Safety Booths	Public Affairs (PA)

General Activities Publicizing the Auxiliary

Producing and Delivering Unit Publications	Publications (PB)
Public Education Activities	Public Education (PE)
Recording and Maintaining Records of Unit/Member Activities	Secretary/Records (SR)
Courtesy Marine Examinations Marine Dealer Visits Vessel Facility Inspections Commercial Fishing Vessel Examinations	Vessel Examiner (VE)
Obtaining and Providing Legal Opinions and Advice Conducting Investigations	Legal/Parliamentarian (LP)

5. Non-scheduled Activities. Non-scheduled, authorized activities by qualified Auxiliarists may be performed. The performance of authorized activities constitutes "assignment to duty" which would normally entitle the Auxiliarist to benefits under 14 U.S.C. §832. However, Auxiliarists might not be covered while traveling to and from these nonscheduled activities. As an example, a qualified examiner is requested to perform a non-scheduled courtesy examination on a neighbor's boat. The member may be covered by 14 U.S.C. §832 while actually conducting the examination. The Auxiliarist, however, may not be indemnified from liability to third parties, depending on the facts and circumstances of the incident. Auxiliarists shall make every effort to schedule their activities in advance to avoid potential problems in receiving Government benefits.
6. Elected and Appointed Officers. Incumbent elected or appointed Auxiliary officers are authorized to perform such activities required for the proper supervision and administration of their respective offices. These duties include, but are not limited to, the responsibilities of officers as described in Chapter 4 and in the officer's letter of appointment. Auxiliarists performing such duties and activities are considered to be assigned to duty within the definition of 14 U.S.C. §832.
7. Facility Operators. Operators of Auxiliary vessel, aircraft and radio facilities are authorized to schedule Auxiliarists to duty as crew, air observers, watchstanders or trainees aboard their facilities. The scheduling shall constitute "assignment to duty" under the provisions of 14 U.S.C. §832.

8. Patrol Orders. Every deployment of an operational facility for any activity for the CG or the Auxiliary, **must** be under CG reimbursable or non-reimbursable orders. This mandate applies to all facilities (surface, aircraft, or land mobile radio facilities while used in vehicles or mobile trailers). **The operation and movement of any such operational facility without CG orders is performed as a private citizen of the U.S and not as an Auxiliary member**, and therefore, may not be covered by 14 U.S.C. §831 and §832.
9. Reporting of Accidents or Incidents.
 - a. Upon an accident or incident which occurs while assigned to duty, notification of the facts and circumstances must be made to the Director, the order-issuing authority, the district legal officer (DSO-LP) and the Auxiliarist's personal insurance company as soon as possible.
 - b. The Auxiliarist also must submit a completed Report of Potential Third Party Liability (form CG-4899) with appropriate attachments as soon as possible to the Director. Copies also are sent to the order-issuing authority, the district legal officer (DSO-LP) and the Auxiliarist's personal insurance company. The Director will make further distribution of the report to other CG addressees as appropriate.
 - c. The driver of a government motor vehicle (including a rental vehicle or a privately owned motor vehicle being used in the performance of official duties) involved in an accident, shall complete an Operator's Report of Motor Vehicle Accident (Standard Form 91) and Data Bearing Upon Scope of Employment of Motor Vehicle Operator (Optional Form 26). A copy of the applicable forms shall be filed with the Director, and the original forwarded to the order issuing authority within 48 hours of the accident.
10. Investigation of Accidents or Incidents. Refer to Section 2, paragraph A1 of the CG Claims Manual (COMDTINST M5890.9 series).
 - a. Each incident which results in, or is likely to result in, a third party claim shall be promptly investigated. Any evidence necessary to prosecute an affirmative claim by the United States or defend a claim against the United States must be preserved.
 - b. A prompt investigation is the most important phase of the claims process. The investigation provides the basis for every step in the

administrative settlement of a claim and the preparation for the defense or prosecution of a lawsuit. Without timely and thorough investigation, a settlement authority cannot decide who is liable and to what extent.

- c. Promptness is the key. With the passage of time, physical appearances change and witnesses may become forgetful. People may develop a biased view of the facts, or become reluctant to give statements or may even become unavailable because they can no longer be located.
 - d. The sole purpose of a claims investigation is to find out the facts needed to settle properly a claim or to defend or to prosecute a lawsuit. Evidence should be gathered and recorded without regard to whether it may prove adverse or favorable to the United States.
 - e. A copy of the State boating accident report, Coast Guard Boating Accident Report (CG-3865), the police report, and motor vehicle or other government accident reports should be included.
11. Travel Enroute to Flotilla Meetings. As a matter of policy, the CG will not cover Auxiliarists for third-party liability while performing local travel enroute to attend flotilla meetings. Such travel is considered travel enroute to the Auxiliarist's normal duty station for which coverage is not provided to other CG personnel. Local travel for other authorized activities, even if to the same destination, will be covered (i.e. official training sessions).
12. Use of Private Motor Vehicles. Auxiliarists are authorized to use private motor vehicles for authorized Auxiliary activities without CG orders unless they plan to seek reimbursement for expenses. In addition to routine travel to and from authorized activities, private motor vehicles may be used in the performance of other authorized activities such as participation in parades (i.e. towing a boat or a float), performing a chart updating mission or environmental activities. However, CG orders are required if a motor vehicle is being used as a land mobile radio or radio direction finding facility, or in the performance of aids to navigation missions. Auxiliarists who choose to use their private motor vehicles for Auxiliary activities without orders do so at their own risk. An Auxiliarist's decision to use a private motor vehicle for Auxiliary activities does not necessarily obligate the CG to assume potential third-party liability arising from the use of a private motor vehicle.
- L. Injury or Death While Assigned to Duty.

1. Injury. 14 U.S.C. § 832 states in part as follows: "Members of the Auxiliary who incur physical injury or contract sickness or disease while performing any duty to which they have been assigned by competent Coast Guard authority shall be entitled to the same hospital treatment afforded members of the Coast Guard."
 - a. This section has been interpreted to mean Auxiliarists are entitled to payment for their medical and hospital bills for emergency care without the need to show a causal relationship between the illness or injury and their assigned duties.
 - b. Non-members of the Auxiliary killed or injured on board an Auxiliary facility are not covered by these provisions.
2. Emergency care.
 - a. Auxiliarists who are injured while assigned to duty and who require immediate attention should obtain emergency care from the local CG unit's contract provider, military hospital, U.S. Public Health Service facility, or the nearest treatment facility if none of the others are available. A civilian contract provider will bill the Auxiliarist directly for treatment of any injury. The Auxiliarist may pay the bill and seek reimbursement or submit the bill directly to the government for payment. Any delays in processing payment could impact the Auxiliarist's credit rating, so it may be prudent to pay the bill and then apply for reimbursement.
 - b. The Auxiliarist should forward the bill via the Director to the appropriate CG Maintenance and Logistics Command (MLC) for payment. Once eligibility is determined, MLC will pay for the Auxiliarist's emergency care only. The MLC will also reimburse an Auxiliarist for emergency care obtained from a non-contract provider if immediate care was provided.
 - c. Auxiliarists who are filing for reimbursement for emergency care must provide the following information within 30 days of the injury:
 - (1) An original itemized bill, together with the form OWCP/HFCA-1500 (Health Insurance Claim Form). You must inform the health care provider to send this bill to you, not directly to the CG.
 - (2) Section A of the Report of Non-Federal Health Care Certification (CG-5534).

- (3) Report of Potential Third Party Liability (CG-4899).
 - (4) Claim for Reimbursement for Expenditures on Official Business (SF 1164).
 - (5) A copy of the orders from the day of the injury. If the Auxiliarist was assigned to duty without orders, a letter certifying the member was assigned to duty at the time of the injury must be provided from the competent CG or Auxiliary authority.
 - (6) A paid receipt for the care received.
- d. The completed forms should be mailed to the Director, who must verify the claim and who then will forward the package to the appropriate MLC at either of the following addresses:

For Atlantic Area:

Commanding Officer
U.S. Coast Guard
Maintenance & Logistics Command (kma)
300 East Main Street
Suite 1065
Norfolk, VA 23510-9110

For Pacific Area:

Commanding Officer
U.S. Coast Guard
Maintenance & Logistics Command (kma)
Coast Guard Island
Alameda, CA 94501-5100

3. Follow-up (non-emergency) Care.

- a. Information regarding claims for follow-up care may be addressed to the Health Benefits Staff at 1-800-942-2422. The staff can discuss your situation and provide further guidance.
- b. Follow-up care for an injury or illness which occurred while assigned to duty is referred to the Department of Labor (DOL) Office of Workers' Compensation, **not the USCG**. DOL must have approved this claim before payment can be made to treating physicians for follow-up care.

- c. Prior to seeking follow-up care from a physician, the member must insure the treating physician is willing to accept the prescribed DOL rates for medical services rendered. This issue must be specifically addressed with the physician to prevent further misunderstandings.
- d. Obtain and complete a Department of Labor (DOL) Report of Traumatic Injury form (CA-1). The Auxiliarist will complete the first section of the CA-1 form, attach a copy of the Applicable orders, and a narrative medical report. The Director will complete the second part of the CA-1. A case file will be established and kept in the Director's office in case of future need.
- e. Submit bills for follow-up care to the DOL via the Director in the following manner:
 - (1) Obtain and complete DOL's Attending Physician's Report (CA-20). This form along with other related worker's compensation forms are available through the Director or the local CG civilian personnel office.
 - (2) The Auxiliarist will bring a copy of the CA-20 form to the attending physician. The attending physician can complete Part B of the CA-20 form or provide sufficient medical documentation in a narrative report and send to the Director. For payment, the attending physician must submit an OWCP/HFCA-1500 to the Director. The Director will review the forms for completeness and make copies for the case file. **Originals of the CA-1, CA-20 or the narrative medical report, and the OWCP/HFCA-1500 form will be forwarded to the Department of Labor by the Director.**
 - (3) If further treatment is required, the physician should complete a narrative medical report or an Attending Physician's Report (CA-20), (reverse side of the CA-16 form). Forms should be submitted by the attending physician to the Director who will review for completeness, make copies and send to DOL.
 - (4) The completed forms should be mailed to:
Department of Labor Special Claims Examiner
800 North Capital Street – Room 800
Washington, D.C. 20211

- (5) The DOL and CG forms are available from the Director or the local CG Civilian Personnel Office.
4. Dental Care. Only emergency dental care due to direct trauma or injury is authorized.
5. Claims for Disability. Auxiliarists may be entitled to Federal Employee's Compensation Act benefits for a disability incurred while assigned to duty.
- a. Compensation is based upon a percentage of the base pay for grade GS-9 of the General Schedule in effect on the date of the injury. Specific entitlement depends on the nature of the disability (e.g., total or partial) and the familial status of the member (single, married, married with dependents) [14 U.S.C. §832].
 - b. The Auxiliarist must complete DOL forms CA-1 (Report of Traumatic Injury) and CA-7 (Claim for Compensation of Account of Traumatic Injury). The attending physician must complete DOL form CA-20 (Attending Physician's Report). Send all completed forms to the Director, who will verify the claim, make a case file copy, and forward to DOL.
6. Death of an Auxiliarist While Assigned to Duty. The Federal Employee's Compensation Act (FECA) provides benefits to an Auxiliarist's spouse and dependent children if the Auxiliarist dies while assigned to duty or from physical injuries incurred while assigned to duty. [14 U.S.C. §823a(b)(7)]
- a. For purposes of determining compensation entitlement, an Auxiliarist is considered to have Federal General Schedule GS-9 (step 1) monthly basic pay on the incurred injury date. Depending on the deceased Auxiliarist's marital status, the surviving spouse and dependent children may each receive a monthly percentage of that GS rate. [14 U.S.C. §707]
 - b. Surviving spouse and children are also entitled to limited payment for the deceased's funeral and burial expenses. The maximum burial and funeral expense allotment is \$800.00. [5 U.S.C. §8134]
 - c. Following an incident, the Director should advise and help the deceased member's next of kin (NOK) in applying for authorized benefits. Directors can receive advice on injury claims from their district civilian personnel representatives.
7. Investigations.

- a. When any Auxiliary member is physically injured or dies as a result of physical injury incurred while performing any authorized duty assigned by competent CG or Auxiliary authority, an investigation will be conducted as set forth in Chapter 5 of the Administrative Investigations Manual (COMDTINST M5830.1). The Director should insure the investigating officer performing the line of duty investigation is aware of the requirement to determine the causal connection between the Auxiliarist's injury or death and the duty being performed by the Auxiliarist. This action is particularly important in situations involving pre-existing medical conditions, such as heart problems.
- b. An investigation must be conducted by the order-issuing authority to determine if the Safety, Environmental and Health Manual (COMDTINST M5100.47 (series)) requires a CG Mishap Report.

M. Public Education Course Fees. The conduct of the Auxiliary's public education program requires the collection of certain fees to cover costs associated with teaching classes. Fee types and their uses include:

1. Custodial Fees. Some public education courses are conducted in buildings whose management charge the Auxiliary custodial or rental fees. If the building owners do not provide anyone to collect fees, Auxiliarists may do it for them. In collecting these fees, Auxiliarists must inform students the Auxiliary is not charging for instructing the course. Such fees should be properly labeled "custodial fees." The fees must be kept separate, both for accounting purposes and physically, from any collections for texts and other materials. When custodial fees become too costly, flotillas should make every effort to re-locate to a classroom site with little or no cost.
2. Course Material Fees. When conduct of a public education course involves texts or training aids which become student property, the sale of these materials must not be mandatory. The purchase of course materials must not be a condition of class attendance. Attending class without purchasing materials must not be termed auditing, nor will course completion certificates earned by students through satisfactory class attendance, homework preparation, and passing of an exam as may be required of the rest of the class be withheld for not purchasing materials.
3. Administrative Fee. Administrative fee is to be used to support various authorized Auxiliary programs and may be added to the text book costs. These fees support the purchase of material such as pencils, paper, projectors and bulbs, screens, miscellaneous audio-visual or operational

equipment. This fee may be assessed only in multi-lesson courses. The collected fees shall not be used for flotilla social function.

4. Registration Fees. Some classes are conducted as part of organized adult education programs which require the collection of registration fees. This fact must be amply advertised in the advance course publicity. The Flotilla Staff Officer - Finance (FSO-FN) shall collect and deposit these fees to the flotilla treasury for furtherance of Auxiliary programs. Such funds shall not be used for flotilla social activities. Some programs are established so that payment must be given to the sponsors or instructors as wages. In this case, the Auxiliary will arrange for the institution to keep the payment as an Auxiliary donation.
5. Remuneration. Auxiliary instructors serve as volunteers and are prohibited from collecting or receiving any compensation for their services performed as Auxiliarists. Their students cannot be charged for class attendance.
6. Course Surcharges. In some instances, units are adding surcharges to the costs of public education materials in addition to the administrative fee to support other Auxiliary programs such as AIM. Such surcharges should be added to the administrative fee and not separately advertised. A small, general increase to the course materials costs is the preferred method of supporting other programs.
7. Prohibited Use of Public Education Course Fees. Funds collected from the sale of public education materials may not be used for social activities. Funds may be used to support all other authorized activities.

N. Incorporation.

1. Policy.
 - a. The Commandant has approved the organization of only one corporation to support the Auxiliary activities, the "Coast Guard Auxiliary National Board, Inc." The national board needs a legal entity to conduct certain fiscal affairs peculiar to the national board. Coast Guard Auxiliary Board, Inc. is authorized to receive excess CG property, in accordance with the provisions of 14 U.S.C. §641. In addition, the CG may contract with Coast Guard Auxiliary National Board, Inc. to procure required goods and services. The corporation is also eligible to receive boating safety grants and funds, conduct fundraising and accept other items for appropriate purposes.

- b. The Commandant recognizes Auxiliary district or regions may have a similar need to the National Board to conduct certain fiscal affairs and hold title to property through a corporation. The authority to approve the formation of a district/region corporation has been delegated by the Commandant to the Chief Director upon the recommendation of the DCO and the Director. In general, corporations are not encouraged and are to be approved only when necessary. Reasons for approving requests for incorporation are:
- 1) To hold title to real and personal property appropriate for use by the Auxiliary in the performance of its missions, which cannot be owned directly by Auxiliary units.
 - 2) To accept State grants and funding which cannot be given directly to Auxiliary units.
 - 3) To obtain and hold copyrights, patents, trademarks and service marks.
 - 4) To provide for the ownership of motor vehicles, aircraft and mobile trailers.
- c. The district/region corporation shall be modeled after Coast Guard Auxiliary National Board, Inc. and shall be a mirror image of the Auxiliary District in which the District officers shall be the Officers of the corporation and the members of the District Board. The Directors shall serve as ex officio members. All other members of the District shall be non-voting members of the corporation and the corporation shall be entitled to the use the name "Coast Guard Auxiliary ____ (Number) ____ District Board, Inc."
- d. The district/region corporation shall be permitted to accept donations of money on behalf of specific divisions and flotillas and to turn over those funds designated for use by a particular flotilla or division. The District corporation shall be authorized to hold title to property and, pursuant to the terms of a written exclusive use agreement, permit the exclusive use by the intended division or flotilla.
- e. No divisions or flotillas shall be permitted to incorporate, and those which are presently incorporated or have corporations shall be required to liquidate or merge with their authorized and approved District corporation by 1 January 2000. Any other corporations or entities other than expressly authorized herein whether formed in

whole or in part by Auxiliary members are not affiliated or a part of the CG or CG Auxiliary. The members of those corporations are acting solely in a private or individual capacity and are not Auxiliary members or as officers, agents or employees of the United States. There must be a clear distinction between the official statutory activities of the CG and the Auxiliary as opposed to the private and separate activities of such an entity. Those organizations may receive no financial or other support from the CG or the Auxiliary, Neither the CG nor the Auxiliary will assume any responsibility for the administration of the activities of such corporations before third parties or tribunals. Auxiliary flotillas, divisions, and districts may be permitted by the Director to use any real or personal property offered to them by such corporations for the purpose of supporting Auxiliary activities and programs.

- f. No corporation or other organization other than the Coast Guard Auxiliary National Board, Inc. and authorized and approved district corporations may use the words "Coast Guard Auxiliary". No other organization may contain any name which contains any reference to the CG or the Auxiliary or any words, contractions or acronyms tending to imply any association with the CG or the Auxiliary.
- g. The status of presently existing unapproved corporations shall not change, and the CG reserves the right to monitor the activities of such corporations as a result of their potential impact on the CG and the Auxiliary.
- h. Before initiating any effort to create a district/regional corporation, the DCO should seek the advice of the Auxiliary District Legal Officer (DSO-LP) to determine whether forming such a corporation is necessary. If determined a valid reason exists to form a district corporation, approval shall be sought from the Chief Director via the Director. The DSO-LP, when directed, is authorized to incorporate approved district corporations, to seek tax-exempt status and to provide other necessary legal services, on behalf of such corporation as an Auxiliary member.
- i. A copy of the corporate charter and by-laws shall be forwarded to the Director's office for approval, filing and record purposes.
- j. Specific guidelines with respect to the formation, organization and operation of District corporations shall be issued from time to time. These guidelines will contain specific requirements for the carrying of liability and other insurance, legal and fiscal policy and CG oversight. DCOs, as presidents of their district corporation are

responsible for ensuring the corporation adheres to these specific requirements.

O. Finances.

1. Guidelines. The CG does not want to regulate the financial management of Auxiliary units. The Commandant, however, considers some regulation necessary to establish certain guidelines to avoid the chance of embarrassment to either the Auxiliary or the CG. The CG has a responsibility to insure proper financial procedures and accountability are observed at each level for all moneys received. This accounting includes monies received from such sources as dues, public education courses, and gifts. Expenditure of such funds shall be in support of authorized Auxiliary activities only.
2. Good Management Practices.
 - a. DCPs and FCs of every unit receiving and disbursing funds in unit's name must submit to the Director an annual financial report on the form entitled Financial Reporting of an Auxiliary Unit (ANSC #7025/CG-4750-1). No other form is authorized for this purpose. Funds are defined as monies received or disbursed as dues, course registration fees, sale of publications, etc. FCs are responsible for forwarding copies of the report to the DCP on or before 31 January. The DCP will review the report and forward them, together with the division report, to the DCO on or before 20 February. The DCO or their designates (such as DSO-FN) will review the reports and forward them to the Director on or before 01 March. Any irregularities revealed by the financial report shall be reported to the DCO and Director. If an Auxiliary unit fails to comply with these procedures, the DCO may authorize an audit. The DCO, after audit review, may recommend other action deemed appropriate. In addition, corporate entities must follow all other state or federal financial reporting requirements.
 - b. All Auxiliary unit funds shall be promptly deposited to accounts containing the appropriate unit designation and the words "United States Coast Guard Auxiliary". The proper Federal taxpayer identification number issued by the IRS for all units of the Auxiliary is **52-1500576**, which should be used on all unit accounts. Disbursement of funds must always be used to further the general purpose of the Auxiliary.
 - c. If funds more than \$5,000 are involved, bonding of the custodian may be advisable. Bonding is optional at all Auxiliary levels.

- d. In general, funds should not be accumulated without some definite goal in mind for future disbursement intended to promote authorized activities.
 - e. Auxiliary unit funds may only be spent or committed with the concurrence of an appropriate majority of the voting members of that unit unless specific provisions authorizing the expenditure or commitment are in the unit's Standing Rules.
3. President, Coast Guard Auxiliary National Board, Inc. The National Commodore, as President, CG Auxiliary National Board, Inc., shall ensure the corporation functions in the manner discussed above. DCOs, serving as the corporation Directors, shall ensure these principles are brought to the attention of their district boards for distribution to division and flotillas.
 4. Treasurer, Coast Guard Auxiliary National Board, Inc. The Treasurer of the Coast Guard Auxiliary National Board, Inc., shall ensure an annual accounting or financial report of the National Board, Inc., is submitted to Commandant (G-OCX) for review. The annual accounting will not be prepared by a CG or Auxiliary member. The report It must be prepared by an independent certified public accountant as required by the bylaws of the National Board, Inc. The Director will advise the incorporated bodies within the district or region of responsibility to (1) determine state, federal or other financial reporting requirements and (2) any needed compliance with such requirements is the incorporated body's sole responsibility.
 5. Chief Director. The Chief Director is an advisor to the National corporate board to ensure Commandant's decisions and policies are brought to the attention of the National Board.
 6. District Corporations. DCOs, as the Presidents of their respective district corporations shall ensure their respective corporations function in a manner discussed in paragraph 5.N. The Treasurer of each respective District corporation shall ensure an annual accounting or financial report of its activities is submitted to the Director for review. The annual accounting will not be prepared by a member of the CG or of the Auxiliary, but must be prepared by an independent certified public accountant, as specified in the by-laws of the District corporation. Guidelines for District corporations are contained in Appendix 5-A.

P. Auxiliary Identification Card.

1. When applicants have been approved by the Director for enrollment, each will be issued an identification card. The Non-Military Identification card (CG-2650) is used.

2. Directors are responsible for entering information on the card front and the base enrollment date on the reverse. The expiration date will be the last day of the base enrollment month, plus five years.
3. Members are responsible for completing the remaining information, providing a photograph, signing and having the card laminated. Without a signature, picture and lamination, the member may be denied access to military exchanges. To this end, Directors shall assist the member in properly completing the identification card. Local CG units which can laminate military and dependent identification cards should be used, whenever possible. Directors shall coordinate with these units to ensure Auxiliary members have access to identification card facilities.
4. A new identification card will be prepared every five years, at the time an Auxiliary Membership Service Award (form CG-5252/A to I) is prepared. Each succeeding expiration date shall be the last day of the base enrollment month with the year being that when the next award is due.

Q. Retired Status Card.

1. When a member submits a request for retired status, each will be provided a permanent, plastic Retired Status card with the retired member's name embossed on it.
2. Directors will, upon receipt of the member's Auxiliary Identification Card, provide the member with the Retired Status Certificate. They will also send the full name and mailing address of the member to the commercial vendor holding the current CG contract for preparing the card. The CG will mail the Retired Status card to the member.

R. Accommodation of Physically Challenged Students in Boating Safety Classes.

1. Auxiliary units are consistently receiving requests to accommodate physically challenged individuals for boating safety education courses. Under provisions of the Rehabilitation Act of 1973, the Auxiliary is required to take steps to accommodate qualified handicapped individuals who want to participate in Auxiliary public education classes.
2. Accommodation for physically challenged students should be pursued in the following order:
 - a. Where available, the Auxiliary unit should try to obtain suitable services through non-profit agencies or through local/state governments. Contacts with these agencies should be initiated and nurtured by all units who conduct public education classes. To the greatest extent possible, units should attempt to identify Auxiliarists who can serve the needs.
 - b. If services are not available, the Auxiliary unit should arrange for paid assistance. These services are funded through the CG and must be closely coordinated with the Director.
 - c. The use of paid services must be approved in advance through the use of a government purchase order. The Auxiliary is NOT authorized to contract for these services on their own. Payment for services not approved in advance by the CG will be the responsibility of the Auxiliarist who made them. Getting the appropriate purchase order may delay the availability of services beyond the scheduled PE class start date. If so, the student will have to be accommodated at a future class when the needed services can be available. Delaying the student's participation to a future class because of lack of funding or time to arrange services is considered a reasonable accommodation.
 - d. Initial funding for services will come from the Director, who will then request reimbursement from G-OCX. If the Director's funds can

not handle this expense, funding through G-OCX should be acquired before any commitment is made.

3. The actions to accommodate a physically challenged student must be taken in a reasonable period of time, which does not necessarily mean "immediately." The student should provide reasonable notice of their disability so the Auxiliary unit can arrange suitable accommodation. If suitable accommodation can not be arranged for a pending class, the student's participation may be delayed to a future class when accommodation is available. A reasonable period for this delay is based on the frequency the particular class is scheduled. Every effort should be made to arrange accommodation within the next two convenings. Units should document their efforts to arrange accommodation for future reference. Further, once services have been arranged for a class, units should aggressively advertise the availability of these services in order to accommodate the maximum number of students.
4. In all cases in which a request for an accommodation has been made by an individual with disabilities, the request should immediately be transmitted to the Director for appropriate guidance. The Director should be notified, even in those cases in which the Auxiliary was successful in meeting the individual's request for accommodation.

S. Coast Guard Vehicle Decals for Auxiliarists.

1. Auxiliarists are issued CG vehicle decals on a limited basis. The decals are placed on the front of the member's personal vehicle only to facilitate access to government installations. Auxiliary membership does NOT create an automatic entitlement to a vehicle decal.
2. Decals issued to Auxiliary members will be the same as those issued to civilian employees. The decision whether to issue the decals rests with the CG Unit Commanding Officer. To be eligible, the member must have a demonstrated need for access to that unit. Normally, this need will be a result of a regular duty schedule at the unit or use of unit facilities for meetings and/or member training on a regular or recurring basis.

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APPENDIX 5-A

Guidelines for District Corporation Organization

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GUIDELINES FOR DISTRICT CORPORATION ORGANIZATION

1. Articles of Organization Provisions: (Mandatory)
 - a) Name
 - b) Purpose
 - c) Officers
 - d) Directors
 - e) Members
 - f) Other relevant provisions
2. By-Laws Provisions: (Mandatory)
 - a) Officers
 - b) Directors
 - c) Members
 - d) Elections
 - e) Quorum
 - f) Voting
 - g) Indemnification
 - h) Dissolution
 - i) Fiscal Policy
 - j) Miscellaneous
3. Insurance Requirements as applicable:
 - a) General Liability - Broad Form Limits: (Mandatory)
\$2,000,000, Bodily Injury, \$500,000, Property Damage or equivalent;
 - b) Landlord or Tenant's Liability Policy: \$2,000,000, Bodily Injury, \$250,000, Property Damage or equivalent;
 - c) Marine Insurance: \$2,000,000 combined Bodily Injury and Property Damage or equivalent;
 - d) Aircraft Insurance: \$2,000,000 combined Injury and Property Damage or equivalent;
 - e) Motor Vehicle Insurance: \$2,000,000 combined Bodily Injury and Property Damage or equivalent;
 - f) Officer's and Director's Liability Insurance; (Mandatory)
 - g) Fidelity Bonds – President, Vice-President, Treasurer or similar corporate officer; (optional)
 - h) Fire and Extended coverage casualty insurance for real estate - Replacement Value coverage;
 - i) Hull Insurance for vessels and aircraft, Fair Market Value of asset.
4. Tax Requirements. (Mandatory)
 - a) Internal Revenue Service 501c(3) Determination;
 - b) State tax exempt status including sales tax;
 - c) Federal tax I.D. number.
5. Written Exclusive Use Agreement: (Optional)
 - a) Real Estate;
 - b) Tangible, Personal Property (i.e. boats, trailers or aircraft)

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